



Small Business Development Center Network

Conflict of Interest Policy

- I. **Purpose:** The purpose of this policy is (a) to prevent the actions of any employee, volunteer or independent contractor of the Colorado Small Business Development Center Network from constituting a conflict of interest, and (b) to clarify the conditions and actions that constitute a conflict of interest.
- II. **Definitions:**
- A. **Conflict of Interest** - a situation in which regard for private interest or gain leads or the appearance of private interest or gain or has the potential to lead or to a disregard for the needs of the Colorado SBDC or the rights of its clients.
 - B. **Client** - a business, individuals or legal entity with which the Colorado SBDC has entered into an agreement to provide any or all of the SBDC available services.
 - C. **Small Business Development Center Services** - include, but are not limited to, Colorado SBDC related counseling; training; research of materials for a client; referrals to other agencies; provision of printed, copied or electronic media information; or other services of the SBDC may commonly and routinely perform for its clients.
 - D. **Employee of the Colorado Small Business Development Center** - any person employed by or on behalf of the Colorado SBDC for counseling, training or other services. This includes director, counselors, support staff, faculty and students.
 - E. **Gift** - real property, tangible and intangible personal property of material value, which is provided directly or in trust for the benefit of the recipient. Included in this definition are the similar terms included in paragraph 3 below.
 - F. **Employment**- The SBDC Director is 100% SBDC and can not be employed by outside sources that could be considered conflicting with the responsibilities detailed in the contract or conflict of interest policy.
- III. **Standards of Conduct:**
- A. **Relations with Clients** - No employee of the Colorado Small Business Development Center:
 - (1) shall solicit or accept or appear to solicit or accept, any gift, loan, reward, promise of future employment, favor or service from any client;
 - (2) shall solicit, accept, or give the appearance thereof, any compensation or other monetary remuneration for counseling related services provided a client while acting as an employee of the Colorado SBDC;
 - (3) shall recommend to a client the purchase of goods and/or services from a firm in which the employee has a material or financial interest;
 - (4) shall accept fees, commissions, gifts or favors from third parties who have supplied goods and/or services to SBDC clients;
 - (5) shall actively solicit the private engagement of his or her services by a customer at any time during the term of the customer relationship with the SBDC (If a customer decides to privately hire that employee outside of the SBDC relationship, that customer may not return to the SBDC to use the services of that employee but may utilize the services of other SBDC employees.);
 - (6) shall release information about any client's relationship with the SBDC, nor any information about the business or personal matters of any client to any person or agency outside the Colorado SBDC, the Colorado Office of Business Development or the US Small Business Administration without written permission of the client; and
 - (7) shall invest monies, personal services or property in the business of a current client of the SBDC.

- B. **Outside Employment** With regard to "moonlighting," owning a business, consulting, teaching or other for profit activities outside the normal working and service delivery of the Small Business Development Center, all key employees of the Small Business Development Center must comply with the following standards:
 - (1) Notify the State Director, in writing and in advance, regarding the proposed activity and any potential for conflicts of interest which may arise;
 - (2) Assure/Demonstrate that the outside activity does not interfere with the full performance of the employee's SBDC responsibilities;
 - (3) Assure/Demonstrate that all such activities are not performed in any way during normal business hours of the SBDC;
 - (4) Assure/Demonstrate that his/her position with the SBDC is not used, or does not appear to be used, to arrange the eventual utilization of his or her service for private gain.

- C. **Security** – When accessing client information or dialogue on a personal computer or device, including desktop computers, laptops, tablets and smartphones, any employee, volunteer or independent contractor of the Small Business Development Center must have the device password protected to ensure the security of the client data.

- D. **Outside Business Relationship(s)** - In the event the Colorado SBDC customer or employee/consultant should desire to enter into a business relationship contrary to these provisions, a written request from the subcenter Director must be submitted to the Colorado SBDC and written approval must be obtained from the Colorado SBDC State Director. Written approval from the Colorado SBDC State Director extends for one year after a case has been closed and/or for one year after the termination of employment by an SBDC employee/consultant. Further, the request for private engagement of services must be initiated by the client and not by the current or former employee/consultant.

- E. **Nepotism** - It is the policy of the Colorado SBDC that nepotism will not be practiced by a director, counselor, manager, or any other employee of the SBDC. Exception must be pre-approved in writing by the State Director. Such exemptions will only be given if relevant skill sets and acceptable professional experience are present.

IV. Penalties and Grievances: Generally, penalties for violation of any of these policies may include, but not be limited to, reprimand, suspension of employment and/or termination of employment. The determination of conditions required to constitute a conflict of interest situation will be made by the individual local administrator in consultation with the Colorado SBDC State Director based upon this policy and applicable employer policies of the host institution and state law.

I have read the above Conflict of Interest Policy. I understand and agree to abide by this policy during my course of employment or association with the Colorado SBDC and for one year following my term of employment/contract.

Print Name

Signature

Date

CSBDC Center